

# **The Use and Performance of Tax Increment Financing**

1991 – 2008

Office of Urban Development

- *Blighted areas* – also includes environmental contamination and 100-year floodplains
- *Conservation areas* – over half the buildings older than 35 years old and showing signs of dilapidation
- *Enterprise Zones* – as officially designated by cities prior to July 1, 1992
- *Intermodal transportation areas* – applies only to Gardner, KS project
- *Major commercial entertainment or tourism areas* – as officially designated by cities
- *Bioscience development areas* – owned by or leased to Kansas Bioscience Authority

## Eligible Area Criteria

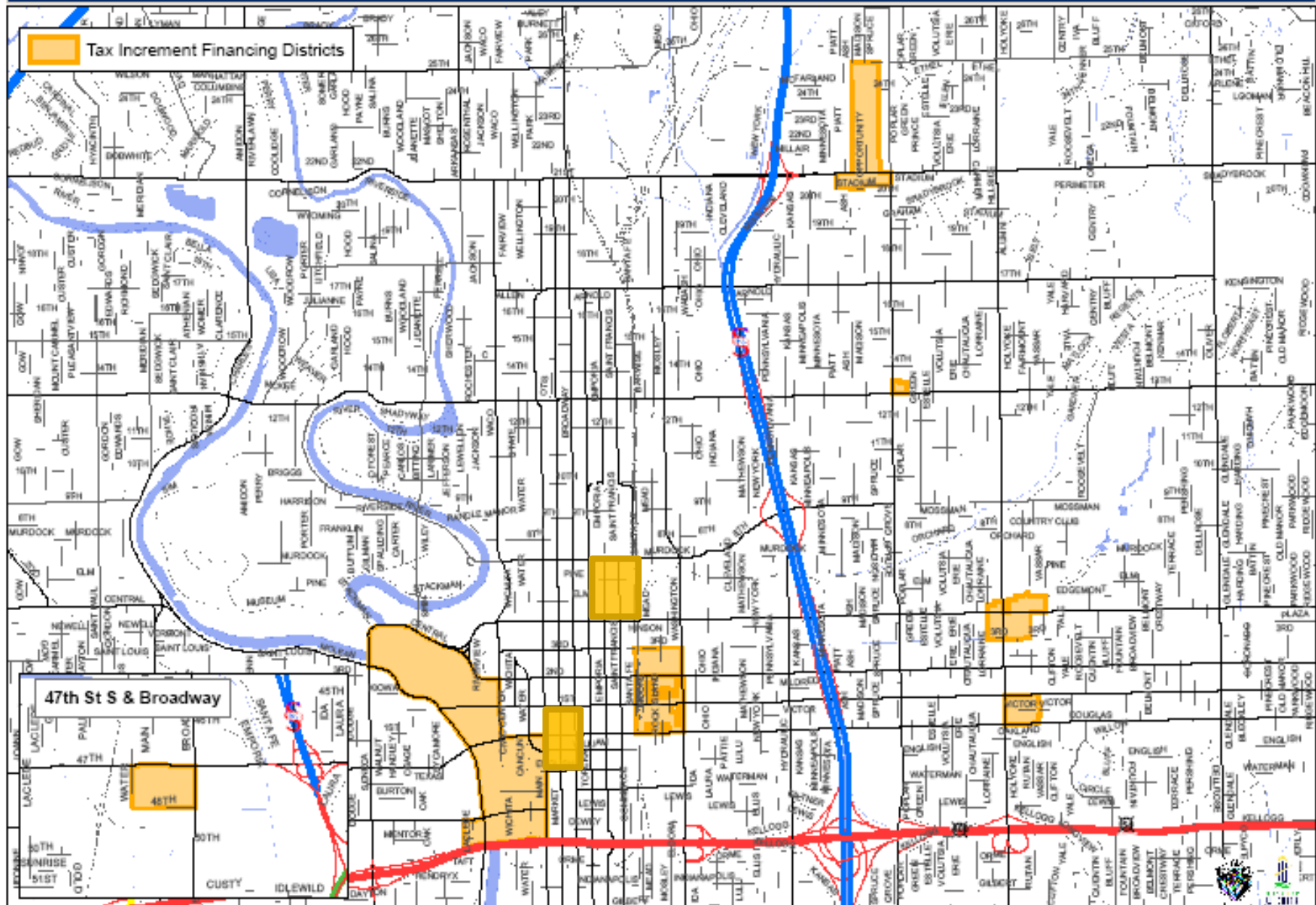
- Old Town (1991/93)
- East Bank (1995)
- 21st and Grove (1995)
- Northeast (1997)
- Old Town Cinema (1999)
- Central and Hillside (2001)
- Broadway and 47th (2006)
- Douglas and Hillside (2006, pending)
- Center City South (2007, pending)
- C.O.R.E. (2008, pending)

## **Wichita TIF Districts**

- Establishment of TIF District
  - Resolution setting public hearing
  - Mailing and publication of notice
  - Ordinance to set boundaries/base year
  - County/School District veto period
- Adoption of TIF Project Plan
  - Develop Plan
    - Feasibility
    - Development Agreement
  - MAPC approval
  - Resolution setting public hearing
  - Mailing and publication of notice
  - Ordinance to adopt Project Plan (2/3 majority)
  - Transmit documents to County offices

## **TIF Approval Process**

# TAX INCREMENT FINANCE DISTRICTS



0 0.25 0.5 1 1.5 2 Miles



Software: ArcGIS Ver. 9.1  
Hardware: Dell Xeon  
Printer: HP 5000PS  
Map Data Source:  
Road centerlines provided by City of Wichita GIS and Sedgewick County GIS.  
Thursday, February 8, 2007 1:04:12 PM  
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It is understood that while the City of Wichita Data Center Geographical Information Systems Department have no indication and reason to believe that there are inaccuracies in information incorporated in the base map, the Data Center GIS personnel make no warranty or representation, either expressed or implied, with respect to the information, or data displayed.  
Note: Public property represented on this map is not intended to be indicative.

- property acquisition;
- relocation costs;
- site preparation, including demolition and environmental remediation;
- sanitary and storm sewers and lift stations;
- utility relocations and extensions;
- landscaping;
- lighting;
- paving, including parking lots;
- streets;
- drainage conduits, channels, levees and riverwalk canal facilities;
- plazas and arcades;
- parking facilities, including multi-level parking structures;
- costs associated with above uses, such as design and financing.

Specifically excluded are costs related to building construction, except for multi-level parking structures and uses specifically authorized by statute.

## **Eligible TIF Expenditures**

	<b>Sources of Funds</b>			
<b>TIF District</b>	<b>TIF Bonds Approved</b>	<b>CIP Funding Received</b>	<b>Other Public Funds Received</b>	<b>Total Public Investment</b>
Old Town	\$4,300,000	\$13,556,000	\$21,826,034	\$39,682,034
East Bank	\$25,310,000	\$48,990,000	\$0	\$74,300,000
21st and Grove	\$1,385,000	\$286,000	\$9,826,400	\$11,497,400
Northeast	\$375,000	\$1,558,000	\$0	\$1,933,000
Old Town Cinema	\$4,980,000	\$4,486,000	\$20,653,452	\$30,119,452
Central and Hillside	\$1,375,000	\$0	\$0	\$1,375,000
Broadway and 47th	\$2,425,000	\$0	\$0	\$2,425,000
Douglas and Hillside	\$5,630,000	\$1,500,000	\$0	\$7,130,000
Center City South	\$6,000,000	\$0	\$0	\$6,000,000
<b>Total</b>	<b>\$51,780,000</b>	<b>\$70,376,000</b>	<b>\$52,305,886</b>	<b>\$174,461,886</b>

**Total Public Investments in  
Wichita TIF Districts (1993-2007)**

<b>TIF District</b>	<b>Base Year Assessed Value</b>	<b>Assessed Value at Completion (Projected)</b>	<b>Actual Assessed Value as of 2007</b>	<b>Percent of Projected Value as of 2007</b>	<b>Percent of Change From Base Year</b>
Old Town (1993)	\$ 1,061,871	\$ 2,162,941	\$ 9,151,598	423%	862%
21st and Grove (1995)	\$ 39,031	\$ 1,932,220	\$ 1,709,531	88%	4380%
East Bank (1995)	\$ 518,762	\$ 21,723,130	\$ 11,242,744	52%	2167%
Old Town Cinema (1999)	\$ 480,633	\$ 4,144,141	\$ 4,162,482	100%	866%
Central and Hillside (2001)	\$ 819,683	\$ 10,989,826	\$ 9,060,713	82%	1105%
Northeast (1997)	\$ 11,567	\$ 337,033	\$ 287,473	85%	2485%

## Performance at Completion: Valuation Assessments



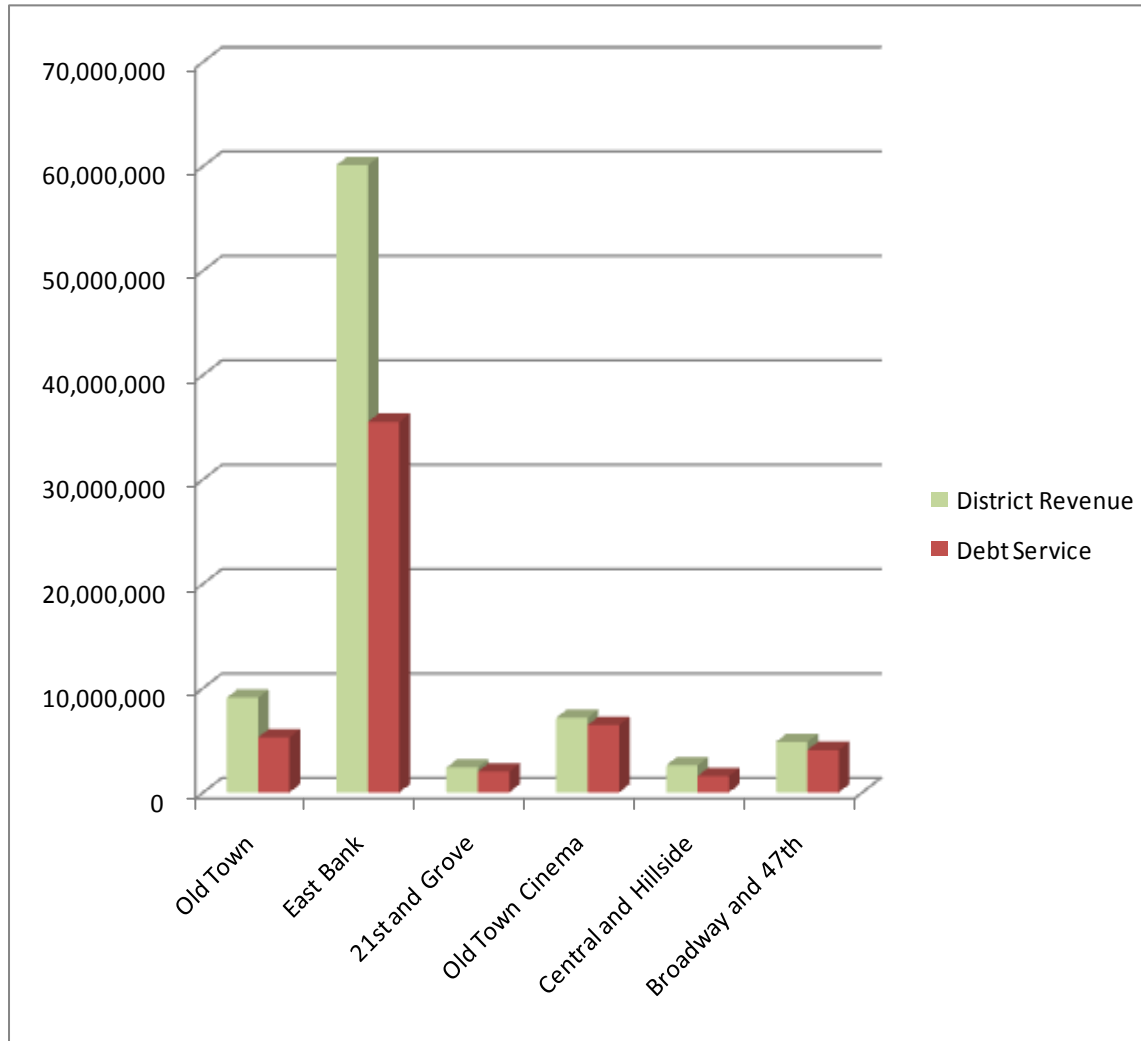
Old Town	\$ 9,071,702	\$ 5,269,770	\$ 3,801,932
East Bank	\$ 60,120,497	\$ 35,512,716	\$ 24,607,781
21st and Grove	\$ 2,383,148	\$ 1,989,187	\$ 393,961
Old Town Cinema	\$ 7,163,237	\$ 6,451,282	\$ 711,955
Central and Hillside	\$ 2,588,347	\$ 1,560,003	\$ 1,028,344
Broadway and 47th	\$ 4,833,654	\$ 4,055,419	\$ 778,235

## Total Revenue and Expenditures in TIF Districts

## Comparison of Revenues to Debt Service

Cumulative to  
End of TIF  
District Term

Completed TIF  
Projects



- Should the City revise TIF Procedures for more involvement by County and School District in TIF approval?
- Should the City limit the percentage of TIF revenues dedicated to projects?
- Should the City use TIF for projects on undeveloped land?
- Should the City dissolve TIF districts as soon as original project bonds are retired?
- Should TIF financing be used for infrastructure in the Arena Neighborhood?

## **TIF Policy Issues**

**Discussion...**